
Ways & Means Committee

HB 1945

Brief Description: Requiring notification to the legislature of significant changes to allotments of appropriations.

Sponsors: Representatives Kagi, Walsh, Cody, Hunter, Green, Carlyle, Williams and Kenney.

<p style="text-align: center;">Brief Summary of Bill</p> <ul style="list-style-type: none">• Requires the Office of Financial Management to provide 10 days notice to the legislative fiscal committees before significant changes to allotments of appropriations may take effect.
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Hearing Date: 2/18/09

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Background:

Under Article VIII, section 4 of the state constitution, an appropriation passed by the Legislature and signed by the Governor is required before agencies may spend moneys in the State Treasury. After the budget is enacted, the allotment process begins. Allotments are statements of proposed expenditures that break into monthly detail each agency's best estimate of how it will spend its appropriations. Allotments must conform to the terms of the appropriation and any conditions or limitations on the appropriation. The agencies prepare their proposed allotments and Office of Financial Management (OFM) then reviews the allotments for reasonableness and conformance with legislative intent.

After OFM approves allotments, they may be revised under the following circumstances:

- (1) On a quarterly basis, at the request of OFM or on an agency's initiative. These requests for allotment revisions must be accompanied by an explanation of the reasons for significant changes. The OFM's budget instructions provide examples of "significant changes," including changes of key budget drivers such as caseload and revenue, changes in timing and

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implementation of programs or services, and other significant changes in assumptions from the original allotment;

(2) After the Legislature has changed appropriation levels (as in a supplemental budget);

(3) After the Governor initiates across-the-board reductions;

(4) After executive increases to spending authority (as in the unanticipated receipts process); and

(5) After executive decreases to expenditure authority for failure to comply with growth management laws (decreases in revenue distributions to local governments).

Also, allotments may be placed into reserve status in some circumstances, and then may later be removed from reserve status. Allotments may not be revised retroactively.

Summary of Bill:

If allotment revisions proposed by an agency or OFM make significant changes to the previously approved allotments, OFM must provide notice to the legislative fiscal committees, including an explanation for the changes, and the revisions may not take effect until 10 days after this notice has been provided.

Additional subsection numbers are added for clarity.

Appropriation: None.

Fiscal Note: Requested on February 16, 2009.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.